



LANDBANK

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LANDBANK BOND FUND

(Previously the LANDBANK Government Securities – Fixed Income Fund)

KEY INFORMATION AND INVESTMENT DISCLOSURE STATEMENT

As of 30 September 2019

FUND FACTS

Classification	: Long Term Bond Fund	Net Asset Value per Unit	: 1.688623
Launch Date	: 13 March 2006	Total Fund NAV	: PhP 51,870,031.83
Minimum Investment	: PhP 5,000.00	Dealing Day	: Up to 12:00pm of any banking day
Additional Investment	: PhP 1,000.00	Redemption Settlement	: T + 1
Minimum Holding Period	: 30 Calendar Days	Early Redemption Charge	: 25% on the net earnings of the redeemed principal amount. At no instance shall the penalty be less than P500.00

FEES

Trust Fees	: 1.00%	Custodianship Fees	: 0.0195%	External Auditor Fees	: n/a
LANDBANK					
Miscellaneous Expense per Unit at 0.000110					

INVESTMENT OBJECTIVE AND STRATEGY

As a Peso-denominated Bond Fund, the LANDBANK Bond Fund aims to generate a steady stream of income mainly through investments in a diversified portfolio of peso-denominated fixed income government securities suitable for investors looking for moderate yields and willing to take minimal risks on their investments.

CLIENT SUITABILITY

A *client profiling process* should be performed prior to participating in the Fund to guide prospective investor if the Fund is suited to his/her investment objectives and risk tolerance. Clients are advised to read the Declaration of Trust/Plan Rules of the Fund, which may be obtained from the Trustee, before deciding to invest.

The LANDBANK Bond Fund is classified as a Long-Term Bond Fund suitable only for investors who:

- Have a Moderate Risk Profile
- Can accept the risk that the principal investment can be lost in whole or in part when the NAVPU at the time of redemption is lower than the NAVPU at the time of participation.
- With an investment horizon of 3 to 5 years.

KEY RISKS AND RISK MANAGEMENT

You should not invest in this Fund if you do not understand or are not comfortable with the accompanying risks.

Credit Risk/Default Risk. The possibility for an investor to experience losses due to a borrower's failure to pay principal and/or interest in a timely manner on instruments such as bonds, loans, or other forms of security which the borrower issued.

Reinvestment Risks. The risk associated with the possibility of having lower returns or earnings when maturing funds or the interest earnings of funds are reinvested.

Interest Rate Risk. This is the possibility for an investor to experience losses due to changes in interest rates.

Inflation Risk. The risk that the value of investment is lower than the rate by which the prices of goods and services go up.

Liquidity Risk. The possibility for an investor to experience losses due to the inability to sell or convert assets into cash immediately or in instances where conversion to cash is possible but at a loss.

- The Fund implements a risk management policy that applies the principles of Value-at-Risk (VAR) and Modified Duration. VaR is defined as a statistical estimate of the amount of loss that an "open" risk position is unlikely to exceed during a given time period with a given level of confidence. Modified Duration is a means to measure the change in the value of a security in response to a change in interest rates. The formula is used to determine the effect that a 1% change in interest rates will have on the price of the bond.
- The Fund's investment outlets have been subject to proper screening and evaluation in accordance with LANDBANK – TBG's accreditation process and minimum regulatory requirements.

REDEMPTION CONDITIONS

Surrender of the Confirmation of Participation; subject to penalty if redeemed before the minimum holding period. For Partial Redemption, remaining balance should not be less than minimum investment.

DISCLOSURES

- **THE UIT FUND IS NOT A DEPOSIT AND IS NOT INSURED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC)**
- **RETURNS CANNOT BE GUARANTEED AND HISTORICAL NAVPU IS FOR ILLUSTRATION OF NAVPU MOVEMENT/FLUCTUATIONS ONLY**
- **WHEN REDEEMING, THE PROCEEDS MAY BE WORTH LESS THAN THE ORIGINAL INVESTMENT AND ANY LOSSES WILL BE SOLELY FOR THE ACCOUNT OF THE CLIENT**
- **THE TRUSTEE IS NOT LIABLE FOR ANY LOSS UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE**

For more information, you can contact us:
LANDBANK – TRUST BANKING GROUP

Tel. Nos. 405-7351; 405-7119; 405-7100; 405-7761
Email: LBP-TRUST@mail.landbank.com

Fund Performance and Statistics as of 30 September 2019

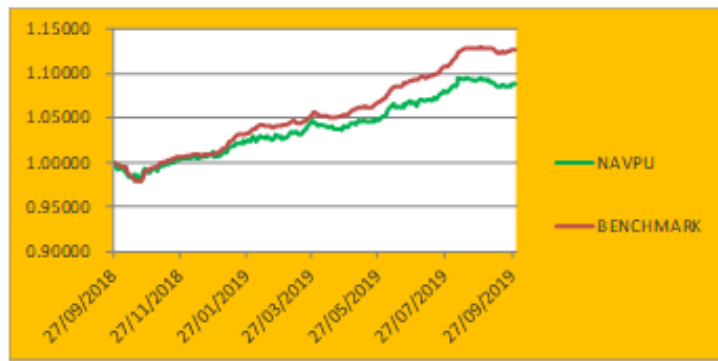
Purely for reference purposes and is not a guarantee of future results

BOND FUND

Previously the LANDBANK GS-FI Fund

NAVPU GRAPH

ONE YEAR FUND PERFORMANCE



NAVPU (Year-On-Year)

Highest	1.702021
Lowest	1.518449

STATISTICS

Weighted Ave Tenor	3.91
Monthly Volatility	0.99%
Sharpe Ratio	1.00
Information Ratio	1.00

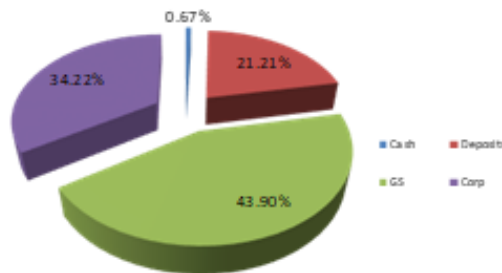
¹Volatility measures the fluctuations in the yield. A higher value means more dispersion from the Fund's average yield. Adjusted Volatility per month, for the past 1 year.
²Sharpe Ratio evaluates the return-to-risk efficiency of the portfolio. The higher the value, the higher the reward per unit of risk.
³Information Ratio measures reward-to-risk efficiency of the portfolio relative to the benchmark. The higher the number, the higher the reward per unit of risk.

CUMULATIVE PERFORMANCE (%)¹

Period	1 Mo	3Mos	6Mos	1Yr	3 Yrs
Bond Fund	-0.51%	1.88%	4.13%	8.77%	6.85%
Benchmark ²	-0.15%	2.72%	1.01%	0.70%	2.19%

¹Past performance is not indicative of future performance.
²Standard Government Bond Index A11 (A11)

PORTFOLIO COMPOSITION



MAJOR ASSET HOLDINGS

Issue	Maturity	% of Portfolio
Time Deposit	6/15/2020	9.64%
Time Deposit	10/6/2020	5.78%
Corporate Bonds/Notes	11/9/2019	9.71%
Corporate Bonds/Notes	1/24/2024	10.05%
Government Securities	3/12/2024	8.24%
Total		43.42%

RELATED PARTY TRANSACTIONS

The Fund has deposits with LANDBANK amounting to P348,874.98 which is within the limit approved by the Board of Directors. Likewise, related parties transactions are conducted on an arm's length basis.

FUND MANAGER'S REPORT

The Monetary Board decided to reduce its key policy rate by 25 basis points in the September meeting to 4.00%. Slower inflation supported the further unwinding of policy rates by the Bangko Sentral ng Pilipinas, after record high inflation last year resulted to a cumulative of 175 basis points rate hike. The lower inflation print was driven by a continued decline in rice prices and electricity rates while rising global economic uncertainty from U.S-China trade relations generally posed downside risks to the inflation outlook. At present, although the BSP is expected to hit the brakes on monetary policy easing in order to monitor price pressures and global developments, the 1% reduction in bank reserves is still in line for November. Moreover, the BSP has not closed its doors on more reserve requirement cuts for December. This, coupled with bulky bond maturities in the 4th quarter will unleash additional liquidity into the financial market. While this already puts downward pressure on local rates, the weak global economy, compounded by the trade war, impels major central banks to undertake further monetary policy easing.

VIEW STRATEGY

Despite BSP's pronouncement on the continued rate cut of reserve requirement and lower inflation projection, yields in the secondary market continue to be more volatile due to uncertainties global market. These uncertainties may continue to persist both in local and global market in the near term but will be closely monitored and reallocate investments when deemed necessary to optimize the portfolio's yield against its corresponding risk.

Contact Details

For more information, visit, call or email

LANDBANK - TRUST BANKING GROUP

21/F LANDBANK Plaza

1598 M.H. Del Pilar St. Malate, Manila 1004

Tel. Nos. 405-7351; 405-7119; 405-7100; 405-7761

Email: LBP_Trust@mail.landbank.com

Visit our website:

<https://www.landbank.com/unit-investment-trust-fund>



Trust Banking Group

Your Stewards for Growth and Good Governance

Unit Investment Trust Funds (UITFs) are not deposit accounts or an obligation of, or guaranteed, or insured by the Land Bank of the Philippines or its affiliates or subsidiaries and, therefore, is not insured or governed by the Philippine Deposit Insurance Corporation (PDIC). Due to the nature of investment, yields and potential yields cannot be guaranteed. Any income or loss arising from market fluctuations and price volatility of the securities held by the Fund, even if invested in government securities, is for the account of the investor. As such, units of participation of the investor in the UITF, when redeemed, may be worth more or be worth less than his/her initial investment/contributions. Historical performance, when presented, is purely for reference purposes and not a guarantee of similar future results. The Trustee is not liable for losses, unless upon willful default, bad faith or gross negligence.